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Leveraging effectual means through business plan competition participation

Kayleigh Watson, Pauric McGowan and Paul Smith

Abstract:

This paper explores whether the business plan competition (BPC), as a classically causational mechanism for extracurricular entrepreneurship education, can facilitate the development of the means that underpin an effectual approach to new venture creation. In-depth, open-ended qualitative interviews were conducted with participants in a regional university-based extracurricular BPC before, immediately after and six months after the competition. The BPC was found to facilitate the means that could be used to adopt an effectual approach. The competition afforded valuable networking opportunities and collaborative contacts with regard to 'who they know'; and it enhanced 'what they know' through enabling the acquisition, development and application of key competencies. Participants were able to gain and project a confident sense of 'who they are' in terms of their venture, changing their perception of the venture from a student project to a credible and viable business prospect. There were strong indications that these acquired means endured in the six months following participation. The implication is that education in which a business plan is dominant need not automatically impede the promotion of an effectual approach.

Keywords: business plan competition; effectuation; entrepreneurship education; graduate start-ups

Introduction:

Business plan competitions (BPCs) prevail as a popular form of extracurricular entrepreneurship education (Florin et al, 2007; Pittaway et al, 2011; Russell et al, 2008; Schwartz et al, 2013), as demonstrated by their presence in 69% of English higher education institutions (NCEE, 2013). These competitions are symptomatic of a continued preference for causation-bound explanations of the entrepreneurial process and consequent provision of entrepreneurship education. By definition centred on business plans, the underpinning sentiment of the BPC espouses entrepreneurship as a rational and linear ends-driven process. The existing educational provision might therefore be considered at odds with an increasing advocacy of effectuation in the field of entrepreneurship (Baron, 2009; Dew et al, 2009; Read et al, 2009; 2011; Sarasvathy, 2001, 2004, 2008; Wiltbank et al, 2006; 2009). Effectuation, as the 'inverse of causation' and deemed the preference of the expert entrepreneur (Sarasvathy, 2001, p 2), suggests that entrepreneurial action is means-driven, with the individual using 'who they are', 'what they know' and 'who they know' (Sarasvathy, 2008). It has been further suggested that entrepreneurship education can and should encourage learners to adopt an

effectual approach, embedding the appropriate principles accordingly (Harmeling, 2008; Williams, 2013; Wiltbank et al, 2009). However, limited attention has been given to whether this might be provided through existing causally-focused provision. This paper adopts the view that causation and effectuation, as independent from one another, can coexist (Kraaijenbrink et al, 2011); and this opens up the possibility that 'traditional' causation-bound entrepreneurship education such as the BPC might stimulate the means needed for an effectual approach by virtue of the experience provided. This possibility was explored in the context of an extracurricular BPC based in a regional university in the North East of England. Making privileged use of the meanings BPC competitors held about their experience of participating in the BPC, the paper uses qualitative data obtained from participants at the start and end of the competition and six months after it. The data were collected longitudinally using in-depth, open-ended interviews and this provided for appreciation of the participants' means throughout and after the competition. The paper proceeds with an exploration of the literature on effectual approaches to entrepreneurship, with particular emphasis on the ascribed importance of means. This is followed by a review of the BPC literature, emphasizing the potential of the BPC to facilitate the means needed for an effectual approach. After offering an overview of the qualitative approach adopted, the empirical data are presented and discussed in relation to the literature; and concluding thoughts are then offered.

Background literature

Effectuation and the importance of what you have

Effectuation – proffered as the preference of expert entrepreneurs – has attracted growing attention as a theory which eschews entrepreneurship as exclusively rational and predictive (Sarasvathy, 2001, 2004, 2008). As such, effectuation is positioned as the opposite to the dominant causation model which views entrepreneurship as stimulated through identification, recognition, or discovery of an opportunity (Sarasvathy, 2008). Essentially goal-driven, the basic decision represents 'what means should be accumulated to achieve these goals' (Kraaijenbrink et al, 2011, p 3). Furthermore, the process is presented as a series of tasks, including extensive market research and competitive analyses, which inform development of a business plan (Read et al, 2011). This is then used to guide acquisition of the resources and stakeholders necessary for implementation so that goals can be achieved.

Given the dynamic, non-linear, and unpredictable contexts of new venture start-ups, an effectuation model considers the strategic principles of prediction and control – readily associated with a causation model – as unfeasible and inappropriate (Read et al, 2011; Sarasvathy, 2001). Instead, a cyclical decision-led approach is advocated which accommodates the transformation of opportunities and possibilities rather than predetermining

likely outcomes (Goel and Karri, 2006; Sarasvathy, 2004). Such a creative and transformative approach suggests entrepreneurship is initiated and sustained through action rather than extensive planning (Read et al, 2011). Thus, rather than the relentless pursuit of perfect opportunities or ideas, action should be pursued using what is readily accessible as 'means' (Read et al, 2011; Sarasvathy, 2001; 2008).

Encapsulated in the 'bird-in-hand' principle (Sarasvathy, 2008), an individual's means relate to the resources they currently have available, or which can be easily cultivated, rather than what their ideal world might be (Harmeling, 2008). These resources are identified through the self-questions 'Who am I?', 'Who do I know?' and 'What do I know?' (Sarasvathy, 2001; 2008). Read et al (2011) suggested that who a person is relates to traits, abilities, attributes, tastes, values, preferences, passions, hobbies and interests held. What a person knows refers to their knowledge and education, experience and expertise. Who one knows relates to an individual's social networks, family, friends, acquaintances, classmates, alumni and the people such contacts know; it also entails the people one does not yet know but come to meet due to unforeseeable and/or serendipitous interactions. Clearly a person's means are inherently intangible and idiosyncratic as a consequence of the individual's unique experiences and personality. This suggests that means are experience-bound and dependent on the possession of experiences from which to draw. Consequently, this pool of resources will differ radically amongst those experienced and those not, a relevant factor considering that effectuation is based on expert entrepreneurs and the prevailing interest in how to get novice entrepreneurs to adopt effectual strategies (Baron, 2009).

Representing the beginnings of entrepreneurial endeavour, one's unique means at any given time shape courses of action and subsequent outcomes. The focus is on 'selecting between possible effects that can be created with that set of means' (Sarasvathy, 2001, p 245) in order to create new ends – new ventures, products, services and markets (Read et al, 2009; 2011). Such a principle sees the end product as a work in progress (Dew et al, 2009; Read et al, 2011; Sarasvathy, 2008). The implication of the emphasis placed on means in an effectual approach is that starting up becomes more readily achievable in uncertain situations (Read et al, 2011; Whalen and Holloway, 2012). Perhaps not unsurprisingly this is of increasing interest in the context of entrepreneurship education, challenging thinking with regard to conventional provision that is often underpinned and informed by a causal approach.

Effectuation, entrepreneurship education and the potential of the extracurricular BPC

Effectuation is regarded as being teachable and learnable (Sarasvathy, 2008); this means that it has been considered important to understand how novices can emulate expert entrepreneurs through adopting effectual logic (Baron, 2009). With regard to the bird-in-hand

principle, acquisition, appreciation and confidence in means available might seem fundamental to 'learning to be effectual'. Engaging in and experiencing entrepreneurship education may therefore offer an effective way to provide awareness and expand means already held. Despite calls for the integration of effectual principles in entrepreneurship education, this has yet to happen in full (Bridge and O'Neil, 2013; Dew et al, 2009 Wiltbank et al, 2009). Whilst it has been recommended that causation and effectuation should be taught as two different toolboxes (Sarasvathy, 2008), it is questionable whether such separation is needed, given that causation and effectuation can coexist (Goel and Karri, 2006; Kraaijenbrink et al, 2011). By extension, further consideration needs to be given about whether a causal approach to entrepreneurship education automatically prohibits the ingredients needed for an effectual approach.

Extracurricular BPCs are offered as a way of stimulating and supporting entrepreneurial behaviour and new venture creation (Gailly, 2006; Randall and Brawley, 2009; Roldan et al, 2005; Russell et al, 2008). This is primarily because such competitions offer the university community an opportunity to engage in start-up and venturing-related activities (McGowan and Cooper, 2008) through offering 'an experience as close as possible to that of the "real world" of a start-up' (Sekula et al, 2009, p 793). Despite emphasizing authenticity, the impetus for and essence of the BPC resides in the continued dominance of a causation approach and preference for a 'business planning paradigm' in entrepreneurship education (Honig, 2004, p 259). A typical competition format thus requires participants to produce and submit business plans which are judged on the basis of perceived viability (McGowan and Cooper, 2008; Randall and Brawley, 2009).

Because they characterize a rational and causal business plan approach to entrepreneurship education, BPCs – at face value – might perpetuate all that the bird-in-hand principle rejects. This is notably apparent as a result of the central role of the business plan, promotion of competitors' pursuit of resources to make an idea happen, and judgement being based upon the idea and its potential 'invest-ability'. However, there is a need to look beyond the inevitable causal underpinnings of the competition. Despite well documented reservations about the presence of the business plan and business planning in entrepreneurship education, and as an activity in venture start-up (Bridge and O'Neil, 2013; Bridge and Hegarty, 2013; Dew et al, 2009; Jones and Penaluna, 2013), it is to be acknowledged that these competitions do offer participants a wide range of opportunities (Hegarty, 2006; Russell et al, 2008). The business plan, even though 'not necessarily connected to causation approaches only' (Kraaijenbrink et al, 2011, p 5) is often just one element of the competition. Opportunities for skills workshops, mentoring, networking, pitching and idea feedback are also typical features of such competitions (Jones and Jones, 2011; Randall and Brawley, 2009; Russell et al, 2008;

Schwartz et al, 2013). Despite being located in a university, competitions are also recognized for their incorporation of external stakeholders to the extent that they are believed to bridge educational and market place contexts (Russell et al, 2008) which provides participants with the opportunity to communicate with and present their offering to a range of different stakeholders from outside academia. Whilst such activities are intended to fill the gap between the participant's idea and a viable business plan (Russell et al, 2008), they are less amenable to being bracketed as purely causation in orientation. Furthermore, they have the potential to serve as a way in which 'who you are' 'what you know' and 'who you know' can be enhanced.

Approach

The current research was underpinned by an interpretive constructivist paradigm. A strong rationale for adopting this approach was provided by the extant literature, which emphasized effectual means as tangible to individuals and, furthermore, dependent upon individual experiences and the related feelings, meanings and perceptions. It is appropriate that constructivism seeks to provide meaning about how the BPC might facilitate such means from the perspective of the participant living that experience (Lindgren and Packendorff, 2009). Participant experiences were thus used to enable the understanding held about their experience of BPC participation, in order to identify any acquisition of effectual means. A qualitative research design was appropriate for facilitating the required interpretive orientation (Denzin and Lincoln, 2003) and allowed participant experiences to be accessed (Leitch et al, 2010). It was envisaged that such an approach would contribute the depth and detail considered missing from the existing research base; and it was noted that methodological choices also respond to calls for entrepreneurship researchers to 'expand their methodological toolboxes' (Berglund, 2007, p 75).

BizComp, a regional extracurricular BPC open to current students and recent graduates of the five universities in North East England, served as the research site. This competition requires finalists to submit a one-page executive summary of their business proposition at the start of the competition and a full business plan at the end. Financial prizes are awarded on the basis of the plan and a five minute pitch. A purposive sampling technique was used to draw a sample from those competing in the 2013 competition, on the basis that any competitor would be information rich about the experience of competing in the BPC (Patton, 2002). The profile of the eventual sample is presented in Table 1.

Using a sequential multiple interview technique (Charmaz, 2003), in-depth, exploratory and open-ended interviews were carried out with competitors. This enabled a participant's unique BPC participation experience to be captured and conveyed, from their own perspective, and enabled a 'nuanced understanding' of that experience over a series of interactions (Charmaz,

2003, p 318). All participants were interviewed over a nine-month period – before, immediately after and then six months after BPC participation. Pre-competition interviews enabled an appreciation not only of the ‘means’ participants already had – namely, who the participant was in terms of their character, tastes and abilities; what they knew through prior education and experiences; and who they knew by way of social and professional networks – but also what they hoped to gain from competing. Interviewing immediately post-competition enabled the exploration of any changes in means which occurred through and as a result of participating. Interviewing six months after participation provided the opportunity to determine whether meanings ascribed to participation had been sustained and/or developed in the wake of the competition. This timeframe thus facilitated appreciation of how any means acquired had endured and, possibly, been applied in the months following participation. Each of the 21 interviews lasted between 45–60 minutes and was transcribed verbatim, with the resultant raw data being analysed thematically.

Findings

The three components, ‘who you are’, ‘who you know’, and ‘what you know’, which constitute effectual means, were used as a framework to guide the analysis of the empirical data. In order to portray participant views clearly, discussion of empirical data in relation to the extant literature is reserved for the discussion section of this paper.

Who you are

Pre-competition: who you are (not)

Upon starting their participation in the BPC, individual competitors indicated who they currently were with regard to preference for entrepreneurship. Participants believed working for someone else was not an option. As Sam commented, ‘I’ve thought about starting up since the start of university’; and for Dan, ‘being an entrepreneur is pretty much all I’ve ever wanted’. This sentiment was reinforced by Bea who felt she could ‘get a lot more out of starting up’.

Participant projections of self were further linked to their status as students engaged in the early stages of venture creation and highly committed to making their venture happen: thus they felt they were in a state of transition. As Kat remarked, ‘we want this to be like a normal running business, rather than our little university project’; for Suzie there was also a strong need to ‘. . . establish myself as someone who is serious about starting up’ because ‘being always surrounded by scientists [as a chemistry doctoral student] they don’t see what I’m doing as an option’. Significantly, there were indications that being a student beneficially afforded access to the BPC which offered a ‘sort of stepping stone’ (Adam) and a ‘way we

could start our business' (Bea). The £5,000 prize on offer was unsurprisingly deemed something 'not to pass up' (Dan), particularly because of a lack of financial capital to 'be able to put into the venture' (Adam).

A lack of confidence amongst participants was pronounced at the onset of participation: as Mel said, 'we don't have confidence because we are still students really and that's always in the back of your head'. The competition was therefore considered a way of 'massively helping' (Sam) with the confidence which was considered 'very important in business' (Adam). For Bea, who professed to be 'not very confident', there was a hope that the competition would allow 'somebody else to actually say "yeah you can do it"'. The prospect of such validation from 'such a reliable source' for Adam was perceived as a way of 'legitimizing the business as one which is believed to be going places'. In addition, and conscious of their new venture status, all participants recognized the need for people outside their university to know who they were. For Dan that was why 'participating in competitions is something I am doing at the moment'. Suzie believed such 'exposure' cannot be underestimated as 'no one is going to know you exist if you're hiding away'. For some, the potential for 'selling yourself' (Bea) and 'getting our name out there' (Mel), was considered as important as winning the competition.

Post-competition: who you now are

On completion, there was a strong sense that competitors felt they had changed through the experience of taking part – notably, helping to 'shape where we're going' (Sam). Equally, participation had, for Bea, helped to streamline her offering because 'before, it was sort of, "Oh we specialize in this, but then we also do this"' but, they pointed out that it doesn't go, so we just made it into one thing'. Notably there were indications that participation in the competition fostered the status of being 'a proper business' (Mel); as Suzie noted, 'I feel like I've got a business now to start'; and, similarly, for Kat '... it has made being an entrepreneur even more firm in my mind. Going to work for someone else now would be very difficult'.

There was a corresponding increase in confidence amongst most participants: Dan attributed this to 'the positive reaction about the business'; and such a reaction enabled Bea to feel continued pursuit of her venture was 'not just a waste of time'. However, this was not universally felt: for example, Kat considered the feedback she received 'could have put someone off their business'.

Reinforcing gains in confidence, participants discussed how the competition had provided beneficial publicity about 'who they are'. Kat suggested that competing 'puts you on the map as someone to look out for', essential, according to Dan, for those 'desperately needing to get their business off the ground' and attempting to establish themselves in the market. As such, all participants reported that they would capitalize on their status as competition finalists by

publicizing it on social media and their websites. Interestingly, however, Suzie, the winner of the competition, was mindful that publicizing competition success too widely can give a false impression of who she was, noting that 'people see that I've won a few competitions but it doesn't mean I've got a really massive business at the moment. I think people like that idea.'

Six months post-competition: using who you now are

It was evident that the sense of being a viable start-up prospect had endured post-competition. There was retained appreciation for how participation had shaped 'who they are now'. Suzie, for example, reflected that, 'without the competition I probably wouldn't have a business'; and the same was true for Mel who suggested that '... until I heard about the competition, I didn't even think starting-up was an option'. It is evident that being at an early stage of venture creation, when participating in the competition, provided beneficial scope for important 'streamlining of who we are' (Dan) on the back of feedback received. For Bea this meant proceeding 'to specialize in communicating with younger audiences which seems to have paid off more because that's where all the clients seem to be and it fits into what we have decided we are' – which Mel explained as meaning 'we're actually starting to make money'. The idea that the BPC allows competitors to 'progress' (Adam) and 'affirm' (Suzie) as viable the status of both their business and self remained apparent, with participants feeling that they were 'taken more seriously now' (Kat).

Equally, increased credibility was felt to be attributable to publicity facilitated by the competition: 'excellent for getting our name out there' (Sam). Notably, participants continued actively to promote themselves as regional BPC finalists. 'It's great to put it on the website', as Kat said; for Sam, this was driven by a belief that this 'demonstrates external recognition and pro-activeness, as people we collaborate with want to know we are going to be around a while'. For Bea this has meant that 'when people have searched for us, they've found out about us being a competition finalist'. For the most part this generation of essentially free publicity was perceived as crucial to start-ups that '... have a PR budget which is non-existent' (Suzie).

Who you know

Pre-competition: who you want to know

Narrative accounts at the start of the competition revealed the individuals' anticipation about their participation, because of 'the people who will be there and who you will get talking to' (Sam), considered by participants to be potentially more beneficial than winning. As Kat surmised, 'the contacts and networking that you might make during the process. It's something

that money can't really buy'. Bea deemed this something that '... we desperately need at this stage'; and for Suzie, it was hopes of collaboration

'What I am hoping for is to outsource the making of the teacakes, hopefully find someone with the capabilities to make them on a larger scale. Maybe that will introduce me to some person who can introduce me to someone else, maybe I'll go into partnership with, and give them all the ideas and they would have the capabilities to mass produce.' (Suzie)

Pre-existing contacts were fundamental in providing support for competition entry, describing university business advisors and previous competition participants variously as being 'really helpful and supportive' (Bea) and 'fantastic' (Adam). Such contacts influenced the decision to participate through 'offering advice and tips' (Kat) and promoting the benefits of competing which inspired Bea to think, 'oh, well, let's just enter it, it could be really good for us.'

Post-competition: who you come to know

Participants were unanimous that who they now knew as a result of the competition was, as Dan stated, 'the most valuable aspect of the competition experience'. Each participant said that they had forged useful contacts because of the extensive networking opportunities available. For example, Bea and Mel were approached at the awards ceremony by the Head of Creative Industries at the local city council '... who said there will be ways that she can help us, but she also wants us to work with her' (Bea); and equally, from Mel, 'so we plan to keep in contact with her to see how she can benefit us and we can benefit her'. The contacts made were felt to be a way to push their venture forward: according to Sam, 'it's not what you know, it's who you know so it's important to meet as many people as you can every time you do stuff like this'. For Sam, one particular contact could prove very helpful:

'One of the contacts we've made works specifically in the field of a project we're working on at the moment. So we're able to take our designs to him and get some advice on what he thinks of the design and if there's any areas he thinks could be improved because he works within that market.'

Participants suggested contacts they made would not have been established had they not competed. For example, Suzie perceived that she would not have met '... this really useful guy in manufacturing as our circles would not have met'. The importance of maintaining these contacts was emphasized. Adam planned to 'spend the next few months building up my relationships and contacts with those that I've met'; and for Dan this had involved,

'... travelling about all [this] week, meeting management consultants, technology, hardware and software developers, some marketers and some lawyers ... all people from the competition that want to have a chat with me.'

Although the participants appreciated that these contacts might not be needed immediately, there was a sense that 'you never know when you might [need them]' (Suzie). Participant accounts revealed incidences of how competition contacts had subsequently put the competitors in touch with other relevant individuals:

'On our table was the head of Digital City in Middlesbrough. So [I] met him and he's introduced us already to a few other people around the area here and a little bit further afield. So I'm going for a few drinks this week, to buy them coffees and leech [sic] their knowledge.' (Sam)

'One of the judges at the "practice your pitch" event wrote down the name of someone at Durham Council who might be interested in one of my projects. So that was helpful and I've got a meeting with them at the beginning of October, so I'm happy about that.' (Kat)

'I met him, not at [the competition] directly, but he spoke to a friend of his, that's why he got in contact with me . . . and he made a suggestion about the way in which my business moves forward, and it's something that I'm now actually going forward with.' (Dan)

The accounts of the participants also suggested that contacts arising indirectly from the competition could potentially shape the course of the participants' ventures.

An unanticipated consequence of the competition was the role that fellow competitors played. 'Everyone got on really well', Bea remarked, so much so that 'people weren't behaving like it was a competition' (Kat). This provided good opportunities and common ground to 'talk to people who were doing the same thing as us, who were fairly new to starting up their own business' (Sam). For Adam, who had previously not had 'a huge amount of contact with people my age starting businesses', this was useful, as it was for Dan, who regarded it as being ' . . . always good to have contacts in the region'. Furthermore there were indications that contact between competitors would be maintained, with plans made to 'follow' on social media and meet up in person. Interestingly several of the competitors had already 'found ways they can work together' (Bea).

The competition experience allowed participants to strengthen further their links with university business advisors. Suzie attributed most of the help received to such advisors rather than the competition, 'because they didn't have mentors in this year's competition'. This was also the case for Dan, who used his 'well connected and knowledgeable' university business advisors at the grand finale 'to point out different people who might be useful to speak to'. All participants expressed the hope that their relationships with their university advisors would continue.

Six months post-competition: maintaining contact with who you now know

Further to the end of this competition, participants gave strong indications about wishing to maintain communication with contacts made. Kat suggested that she had ‘. . . contact, in some way or another, with a good percentage of those I met’. For Dan, who ‘hadn’t really entered thinking of it as a networking opportunity’, it had ‘. . . proven to be quite useful on that front’. For a few, contacts made have subsequently become valued clients. For Bea the contact established at the local city council has meant that the person concerned has become,

‘. . . one of our main clients at the moment, so that’s massive, we’d never have come across that contact if we hadn’t have gone to the awards ceremony.’

Appreciation that competitions ‘put you in contact with various people that can really, really help you to get started’ (Adam) remained apparent, post-competition. Participants said they had made use of help from people they ‘would not otherwise have met without the competition’ (Bea). For example, Sam has used one competition contact to help with his preparation of sales figures before a big pitch, which he found was made easier by the contact person ‘already knowing who I was from the competition’. Such guidance has meant that competition contacts have since become mentors for participants. Dan noted how he now meets with one consultant he met through the competition ‘once every month or two, to have a chat and tell him how I’m getting on’. Participants perceived that these ‘really beneficial relationships’ (Mel) would be fundamental to individual development as business people.

Sustained communication with fellow competitors post-competition was regarded as useful, to ‘see how they are getting on’ (Bea). For Suzie this enabled her to draw from Dan’s experiences, ‘because he’s been doing it a lot longer than I have, so he’s got a lot of funding advice’. Such an exchange was described as ‘. . . really important at our stage of business’ (Adam).

Relationships with competitors have also proved beneficial in other ways. For example, Sam outsourced work to another studio which took part in the competition, as an alternative to expanding his team; whilst Kat said that, ‘if I ever need any PR or anything, I just employ Bea and Mel to do it for me’.

Other participants had pursued, but subsequently abandoned, opportunities for collaboration with competitors. For instance, Adam had exchanged e-mails regarding ‘getting an app put together’, before deciding ‘for now that this was not the way to go’. For Dan this involved discussions about ‘the really nice idea’ of ‘3-D rendering of people to use in our video content’, but which could not happen because of the cost.

It was notable that there were incidences of participants recommending other participants to people they knew. Mel, for example, said that she had put someone she knew, who was

looking for tea and coffee to export, in contact with a fellow competitor who specializes in these commodities. Overall, the participants felt that continued contact with fellow competitors would be useful to them and their ventures.

Relationships with university-based advisors also remained active. High importance was attached to 'ongoing support and advice' (Sam), made available in particular 'when things come up that we don't really know how to do' (Bea). Without such support, 'I probably wouldn't have had the motivation or encouragement to continue with my own business' (Suzie); while others suggested that 'everything would be a lot more stressful than it already is' (Mel). Such support had been sought on a range of issues: the legalities of taking on an employee (Kat); a client defaulting on payment (Bea and Mel); and access to interns (Sam). Participants stated that they would not be able to afford to pay someone else to advise them on these issues. A further benefit mentioned was the opportunities which these relationships offered, with participants noting, for example, how the advisors had subsequently wanted them to participate in another competition.

What you know

Pre-competition: what is currently unknown but needs to be known

Start-of-competition narrative accounts revealed that a perceived lack of business-specific knowledge and experience incentivized participation. Many participants did not have what they considered a 'traditional business background' (Suzie) in that they had neither run nor studied business before, such that they considered they had 'no idea about business' (Sam). Adam, who had studied business and economics, said that participation in the competition provided him with 'a leg up' in this regard. For others, however, it was felt that although each possessed knowledge and skills relevant to their discipline and/or industry their feeling was that they '... don't really know how to run a business' (Bea). For Mel this was 'quite daunting as we're not confident', and for Suzie it meant that there was 'a lot to learn'. There was evidence to suggest that the desperate need for 'business type skills to move forward' (Bea) could be satisfied through participation in the competition. As Sam noted, it helps with 'all the business planning, executive summary, market research, financial forecasting, putting profit and loss' and 'pitching and public speaking'; for Kat, with 'networking'; and, for Mel, 'all the stuff it's important for a business to know'. The hope was expressed that because '... someone will pick holes in your ability [to do such things]' (Bea) it would help to prompt and promote learning.

Some participants were unsure, however, about whether the competition would itself facilitate 'know what'. Adam suggested that 'rather than helping you develop the skills and knowledge there and then it'll actually help in the way that it'll identify, perhaps, where you are weak' or, as Kat said, things which perhaps 'I wouldn't have thought about before'. For Dan – who spoke

of his confidence with respect to business competencies – the competition satisfied his belief that one can ‘always learn more, and you can always get better’. There was strong sense of expectation amongst participants that competing would ‘put you in touch with those in the know’ (Kat) and ‘professionals that have been there and done that’ (Sam). It was the prospect of harnessing such an ‘expert point of view’ (Adam) through ‘invaluable specialized advice, support and feedback’ (Mel) which Adam felt would be ‘fantastic for educating me with regards to the practicalities of business, and in telling me where I’m going wrong or what things need to be improved’. There was a belief that this would ultimately enhance what they currently know.

Post-competition: appreciating what is now known

The general consensus amongst participants was that the competition had been a ‘really good, positive learning experience that we can take a lot away from’ (Mel). Competing had increased their levels of experience and this would be used to ‘improve what I can do’ (Dan) and ‘progress in the future’ (Kat). It was apparent that the judging requirements of the competition rendered a need to ‘actually learn what we were doing’ (Bea). What was felt to be known as a result of participation related heavily to public speaking and pitching; for instance, for Sam there was awareness of what is involved when you ‘stand up in front of a room of a couple of hundred people and do a two minute pitch’. Similarly, for Dan – who had done lots of public speaking previously ‘but only to rooms of about ten to fifteen people’ – this was also a learning curve.

Confronting this, however, was felt to be good practice: for Sam it was for ‘pitching to investors in the future’; Adam expressed it as ‘I’ve done that before now so I can try and do my best again’; and Mel said she had learned ‘that we don’t need to be so scared of public speaking’.

In addition, the competition highlighted issues specifically related to the participants’ venture propositions: for instance, for Dan this was stated as ‘I can use motion capture on my product which will shape what I can do moving forward’. For Suzie more general appreciation ensured that ‘you don’t need a “save the world” idea to have a good business’, whilst for Bea the competition highlighted ‘things that we couldn’t do, or we needed to find out how to do, that we probably wouldn’t have come up against until it was too late’. As such the competition offered a low-risk environment in which the participants could enhance what they knew.

Six months post-competition: exercising what is now known as a result of the competition

There was a strong indication that aspects of ‘what is now known’ – because of the competition experience – had been usefully applied in the six months following the competition, whilst continuing with the venture start-up. For example, this was when ‘making a pitch to Sony’

(Sam), 'presenting myself and the business at networking events' (Kat) and 'pitching for jobs' (Bea). Dan illustrated the crucial experience gained, suggesting that 'if I hadn't done any business competitions, one of the first times I'd be properly pitching is when I went in front of a VC'.

There were observations made regarding knowledge about the 'business side of things' (Sam) without which, Mel suggested, 'I think we would have always liked to start our own business, but I don't know whether we would have taken the risk and left our jobs to do it straight away', principally because, as Bea said, 'not having any experience to draw from would be really hard'. Further, Sam felt without knowing what he did from competing, 'we'd have definitely had to either get somebody in or spend a lot more time researching it and trying to get advice on it'. It was apparent that those who had already studied business and/or participated in competitions believed the competition had augmented both what was already known and the application of 'things that I'd previously come to grips with' (Adam). This was also apparent for Dan, who suggested 'because I've pitched before, I've written business plans before, so it's building on existing experience rather than I think learning anything new'.

The participant's accounts suggested a more realistic appreciation that the competition could not have provided them with 'all we needed to learn and know about running a business' (Bea) even though this was something they had initially hoped would occur. Participants saw themselves on a learning journey, expressed by Kat as, '. . . it's still early days and there is still a lot to learn' and by Suzie as '[we]. . . constantly discover, within the day-to-day running of the business'. This outlook was bound up in appreciation that the competition had contributed to 'what they now know' about the usefulness of the business plan. Participants felt, post-competition, that they knew how to produce a business plan because, as Kat said, the competition 'forced me to do that within a time frame'. Interestingly, however, none of the nine participants had subsequently used either this knowledge or the plans produced. The various reasons for this offered by participants are exemplified by Dan's observations:

'Business plans are out of date as soon as they're written because things change so quickly. The amount of information you have available changes, almost daily. Customers can change very quickly as well. So all of this stuff changes so fast and a business plan is a very static document, it doesn't represent start-ups very well. . . but it's something I needed to do because the competition expected.'

While some participants entered the competition believing they needed to gain knowledge about producing a business plan to be deemed legitimate, upon reflection this was rejected in favour of '. . . going off and doing proper things' (Adam) and as something which 'really doesn't need to be done' (Mel) and about which Kat said 'I don't really have a use for [a plan]'. Bea,

for example, talked of preferring 'just diving into it and seeing what happens' and feeling curtailed by the prospect of 'following what a plan says we should be doing'.

Discussion and Conclusions

The findings of this study lend strong support to the idea that, despite outwardly presenting as causation-bound entrepreneurship education, the extracurricular BPC experience can provide the fundamental means needed for adoption of an effectual approach. The current research highlights the importance of awareness that effectuation is based on expert entrepreneurs (Sarasvathy, 2001) when considering its integration and promotion within entrepreneurship education. While becoming an expert entrepreneur was almost certainly an aspiration of those participating in the BPC described here, the competitors were clearly not expert entrepreneurs (Jones and Penaluna, 2013). As such the participants lacked the experience upon which means fundamentally depend (Read et al, 2011). Consistent with the ideas of Sekula et al (2009) and Bell (2010), the current BPC served a vital role as a source of experience – the experience needed for an effectual approach to be assumed.

Although an effectual approach is initiated through using awareness of what one currently has (Read et al, 2011), the commencement of participant BPC experiences appeared to be symbolized by awareness of what little they had and what they currently lacked. This might be viewed as symptomatic of the causation approach they appeared to be adopting by regarding BPCs as a good opportunity for acquiring the resources needed to pursue their venture. This appears to demonstrate more broadly the proposal that novices generally tend to 'go by the textbook' (Dew et al, 2009, p 287) in exercising causal logic (Baron, 2009; Kraaijenbrink et al, 2011; Read et al, 2011, 2009; Wiltbank et al, 2009). However, this seems confounded in that participation in the BPC only became possible through use of what they currently had – that is, their identity as a student with a low resource base committed to starting-up a business (who you are), their contacts with previous participants and university business advisors (who you know) together with their limited knowledge about business (what you know). The BPC participants' perceived reality, in terms of who they were, who they knew and what they knew, was subject to clearly noticeable change as a result of participating in the competition.

Emphasis on 'who the participants are' was central to the competition experience. The provision of opportunities for presenting both oneself and the venture, and receiving feedback and publicity through the competition, provided a sense of viability regarding who they were as an entrepreneur and having a viable start-up prospect. This opened up new, unforeseen directions and possibilities to pursue: these were used in order to be able to regard proceeding with new venture creation as achievable. According to Whalen and Holloway this sense of

achievability is considered fundamental to an effectual approach (Whalen and Holloway, 2012).

The current competition provided fertile territory for developing who the participants knew, by offering expected and unexpected encounters with those who would not otherwise have been met or would have been difficult to meet. It is likely that this occurred because the competition brought those from different universities together and involved people from outside academia, and thus provided opportunities for networking not only with external stakeholders but also with those involved as competitors, judges, guests and business advisors (McGowan and Cooper, 2008; Russell et al, 2008). The accounts of the participants reinforce the proposal that 'people known' serve as a great asset (Read et al, 2011). Contacts made during the competition were subsequently used to explore and/or bring about new possibilities for the venture through, for example, collaboration, mentoring, provision of guidance and introducing other useful contacts.

The experience of taking part in the competition served as a learning opportunity which enhanced what the participants knew: we can regard this as a function of the experiential nature of the competition and the opportunities provided for practice, application, feedback and improvement within a relatively secure, low-risk environment. Although production of the business plan was the primary requirement, doing so enabled some participants to realize that adhering strictly to a business plan was not suited to them, but that – in contrast – pursuing their chosen venture with very little planning was (Read et al, 2011). In addition to production of a business plan, however, activities such as pitching, presenting and networking provided experience necessary and useful after the competition for sustaining and developing a start-up venture.

The findings of this current research suggest that the competition not only provided resources relevant to the three components of effectual means but also fostered the awareness, confidence and self-efficacy that these could be used in the future. While an effectual approach depends on the use of currently available means (Sarasvathy, 2001; 2008), the presumption in the literature is that the individual will be aware of their means and possess the self-efficacy and confidence to use them; and this is also related to the emphasis given to the concept of the expert entrepreneur (Sarasvathy, 2001). However, for those new to or exploring the option of entrepreneurial activity, awareness, confidence and self-efficacy are not necessarily inherent, something very apparent when considering the attributes of those studied in the current research. This suggests a valuable line of further research, of considering how entrepreneurial novices can assume effectual approaches through entrepreneurship education, in particular because it might prove that instilled efficacy and

confidence could be considered as important as means, if these are to be subsequently realized and used.

Although the competition placed emphasis on the development, submission and judging of a business plan, there is nothing to suggest that the centrality of the plan inhibited indicators of an effectual approach (Kraajinbrink et al, 2011). The competition experience was able to be exploited with regard to what participants wanted, regardless of its causal underpinnings, because the focus on the plan was only relevant in the sense that producing the plan was regarded as a requirement to be met in order to access the other aspects of the competition. When emphasizing the conscious teaching and learning of effectuation (Sarasvathy, 2008) it is important to appreciate that this might inadvertently happen through entrepreneurship education of an experiential nature such as the BPC. There was no conscious promotion of an effectual approach in the current competition and the competitors seemed to be using means of their own accord. However, the present findings do lend support to the possibility and usefulness of promoting the value of this approach within the provision of a BPC, because such competitions are aimed at those either exploring the possibility of entrepreneurship or at the early stages of new venture creation. Emphasizing that proceeding with new venture creation is achievable, using what is held now, could possibly prevent the deferral of action post-BPC – something often attributed to a perceived lack of resources (Bell, 2010; Dean et al, 2004; Hegarty, 2006; McGowan and Cooper, 2008).

Concluding thoughts

An effectual approach is not feasible without means; however, a typical participant undertaking entrepreneurship education is not the expert entrepreneur on which such an approach is founded. If novice entrepreneurs are therefore to be encouraged to adopt an effectual approach, the first goal of entrepreneurship education should be to enable the participant not only to acquire and develop means but also to feel aware, confident and efficacious in these means. Causation-bound entrepreneurship education should not automatically be deemed a barrier to this, despite justifiable reservations about the suitability of such education being restricted to the demands of the business plan. We can identify a need for further research in this area; but having considered one of the defining values of an effectual approach, the bird-in-hand principle, together with participants' experiences of a BPC, this current study suggests that this BPC did not prohibit the means needed for an effectual approach, with such means inadvertently promoted through the broader competition experience, the elements of which transcend an effectuation– causation dichotomy. The wider implication is that entrepreneurship education provision might not need to be consciously regarded as effectually orientated in order to promote the beginnings of an effectual approach. Furthermore, this

suggests that incorporation of effectuation into entrepreneurship education need not be as radical as might first be assumed. It is suggested that efforts might also be spent more valuably looking at how to alert participants about how they can use effectually those resources acquired through any entrepreneurship education.

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